

Amend CSHB 3 (Senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to PART A, ARTICLE 5, of the bill and renumber subsequent SECTIONS of the part accordingly:

SECTION 5A.\_\_\_. Subchapter A, Chapter 151, Tax Code, is amended by adding Section 151.0037 to read as follows:

Sec. 151.0037. "ELECTIVE COSMETIC PROCEDURE." (a) In this chapter, "elective cosmetic procedure" means any medical procedure performed on a person that is directed at improving the person's appearance and does not meaningfully promote the proper function of the body or prevent or treat an illness or disease.

(b) "Elective cosmetic procedure" includes cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peels, laser hair removal, laser skin resurfacing, laser treatment of leg veins, sclerotherapy, and cosmetic dentistry.

(c) "Elective cosmetic procedure" does not include reconstructive surgery or dentistry, including any surgery or dentistry performed on an abnormal structure caused by or related to a congenital defect, developmental abnormality, injury, trauma, infection, tumor, or disease or performed to improve the structure's function or to give the structure a more normal appearance.

SECTION 5A.\_\_\_. Section 151.0101(a), Tax Code, is amended to read as follows:

(a) "Taxable services" means:

- (1) amusement services;
- (2) cable television services;
- (3) personal services;
- (4) motor vehicle parking and storage services;
- (5) the repair, remodeling, maintenance, and restoration of tangible personal property, except:
  - (A) aircraft;
  - (B) a ship, boat, or other vessel, other than:
    - (i) a taxable boat or motor as defined by Section 160.001;
    - (ii) a sports fishing boat; or

(iii) any other vessel used for pleasure;

(C) the repair, maintenance, and restoration of a motor vehicle; and

(D) the repair, maintenance, creation, and restoration of a computer program, including its development and modification, not sold by the person performing the repair, maintenance, creation, or restoration service;

(6) telecommunications services;

(7) credit reporting services;

(8) debt collection services;

(9) insurance services;

(10) information services;

(11) real property services;

(12) data processing services;

(13) real property repair and remodeling;

(14) security services;

(15) telephone answering services;

(16) Internet access service; ~~and~~

(17) a sale by a transmission and distribution utility, as defined in Section 31.002, Utilities Code, of transmission or delivery of service directly to an electricity end-use customer whose consumption of electricity is subject to taxation under this chapter; and

(18) elective cosmetic procedures.

SECTION 5A.\_\_\_\_. Section 151.801, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsection (a-1) to read as follows:

(a) Except for the amounts allocated under Subsections (a-1), (b), and (c), all proceeds from the collection of the taxes imposed by this chapter shall be deposited to the credit of the general revenue fund.

(a-1) The proceeds from the collection of the taxes imposed by this chapter on the sale of an elective cosmetic procedure shall be deposited to the credit of the tax reimbursement program account under Section 151.434.

(d) The comptroller shall determine the amount to be deposited to the tax reimbursement program account under Subsection

(a-1) according to available statistical data indicating the estimated average or actual sales of elective cosmetic procedures. The comptroller shall determine the amount to be deposited to the highway fund under Subsection (b) according to available statistical data indicating the estimated average or actual consumption or sales of lubricants used to propel motor vehicles over the public roadways. The comptroller shall determine the amounts to be deposited to the funds or accounts under Subsection (c) according to available statistical data indicating the estimated or actual total receipts in this state from taxable sales of sporting goods. If satisfactory data are not available, the comptroller may require taxpayers who make taxable sales of elective cosmetic procedures or taxable sales or uses of those lubricants or of sporting goods to report to the comptroller as necessary to make the allocation required by Subsection (a-1), (b), or (c).

(2) In ARTICLE 5 of the bill, in the recital to SECTION 5A.03(a) (page 43, line 19), strike "Section 151.433" and substitute "Sections 151.433 and 151.434".

(3) In ARTICLE 5 of the bill, in added Section 151.433(b), Tax Code (page 43, line 34), strike "20" and substitute "      ".

(4) In ARTICLE 5 of the bill, in added Section 151.433(g), Tax Code (page 44, lines 6 through 7), strike "\$100 million" and substitute "\$      million".

(5) In ARTICLE 5 of the bill, immediately following added Section 151.433, Tax Code (page 44, between lines 22 and 23), insert the following:

Sec. 151.434. TAX REIMBURSEMENT PROGRAM ACCOUNT. The tax reimbursement program account is an account in the general revenue fund that may be appropriated only to the Health and Human Services Commission for the purpose of providing reimbursements of estimated taxes under Section 151.433.